

**CAMDEN'S PRIDE  
CHARTER SCHOOL, INC.  
Camden, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2014**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Camden's Pride Charter School, Inc.  
Board of Trustees**

**Camden, New Jersey**

**For the Fiscal Year Ended June 30, 2014**

**Prepared by**

**Camden's Pride Charter School Board of Trustees**

**Finance Department**

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OF THE CAMDEN'S PRIDE CHARTER SCHOOL, INC.  
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## **INTRODUCTORY SECTION**

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**897 31<sup>st</sup> STREET**  
**CAMDEN, NJ 08105**

Rebecca Brinkmann Phelan  
Lead Person  
856-365-1000 x 101

Jennifer Bailey  
Board Secretary  
856-365-1000 x 103

October 28, 2014

Members of the Board of Trustees  
Camden's Pride Charter School  
County of Camden  
Camden, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Camden's Pride Charter School for the sixth fiscal year of operations ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes the first fiscal year of unaudited data.
- The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management Budget Circular A-133, "Audits of States, Local Governments and Non-profit Organizations", and the New Jersey OMB circular letter 04-04 OMB, "Single Audit Policy for recipients of Federal Grants, State Grants and State Aid payments". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

The Camden's Pride Charter School, Inc. is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No.14. All funds of the Charter school are included in this report. The Camden's Pride Charter School, Inc. Board of Trustees and its school constitute the Charter School's reporting entity.

The Charter School is responsible for providing a thorough and efficient educational system for students in grades taught at the one school maintained. The Charter School completed the 2013-2014 fiscal year with a maximum enrollment of 240 elementary school students.

## **2. ECONOMIC CONDITION AND OUTLOOK:**

The City of Camden area is a large urban community in Camden County and is presently considered to possess a stagnant economy.

### Initiatives

The Charter School has developed a comprehensive strategic plan to support its mission and vision and serve as a blueprint for the achievement of its goals. The plan includes objectives such as pupil achievement, staff development and technology in the classroom.

## **3. INTERNAL ACCOUNTING CONTROLS:**

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the Charter School also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School management.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

#### **4. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

#### **5. ACCOUNTING SYSTEM AND REPORTS:**

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

#### **6. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

#### **7. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, PA, was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act amendment of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

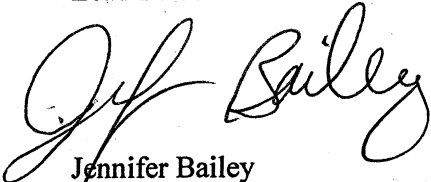
## 8. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Camden's Pride Charter School, Inc. Board of Trustees for their concern in providing fiscal accountability to the community and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

A handwritten signature in cursive script, reading "Rebecca Phelan".

Rebecca Brinkmann Phelan  
Lead Person

A handwritten signature in cursive script, reading "Jennifer Bailey".

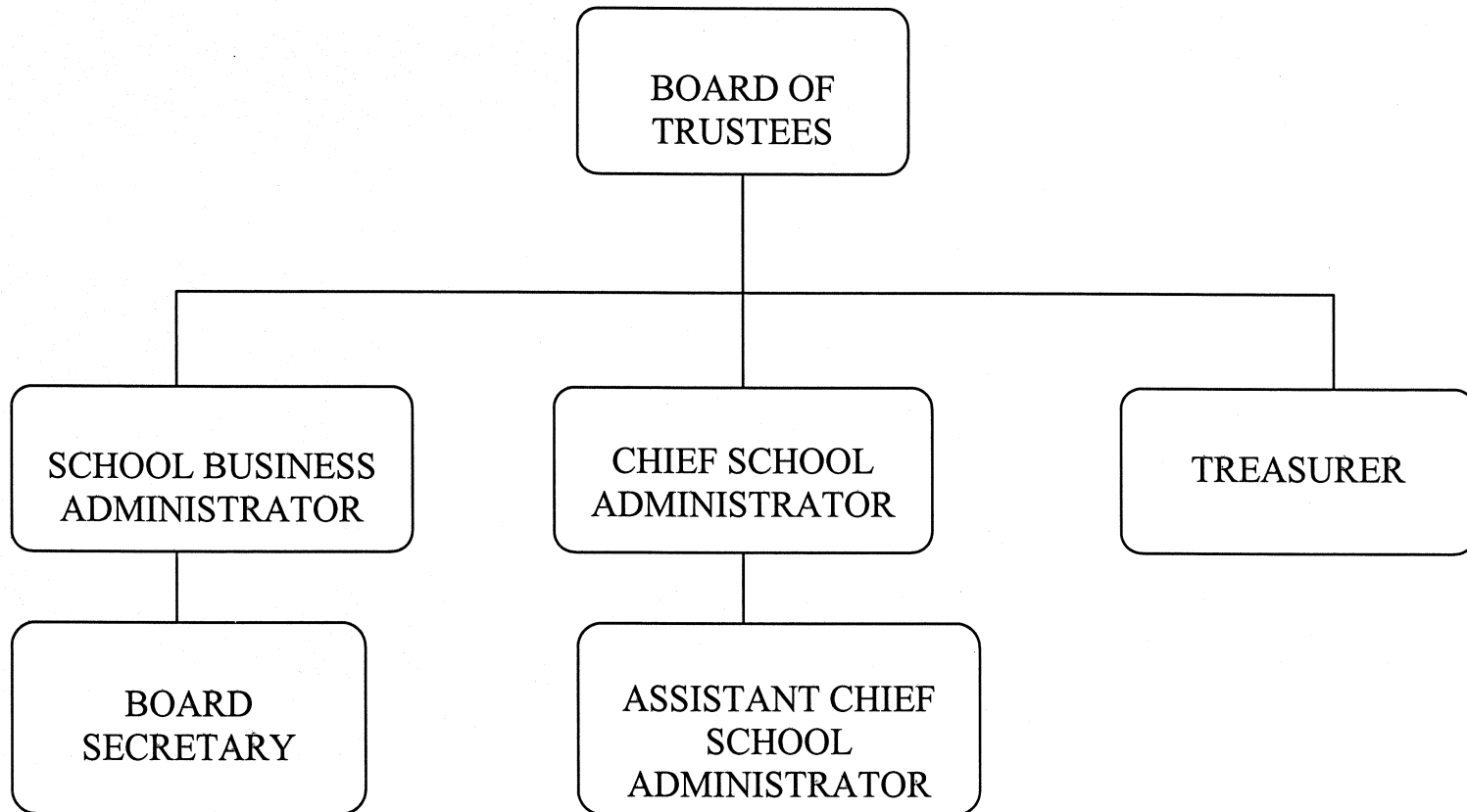
Jennifer Bailey  
Board Secretary

**CAMDEN'S PRIDE CHARTER SCHOOL, INC**

**Camden, New Jersey**

**Camden County**

**(UNIT CONTROL)**



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**CAMDEN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2014**

<b><u>MEMBERS OF THE BOARD OF TRUSTEES</u></b>	<b><u>TERM EXPIRES</u></b>
Maria Maldonado, President	2015
Pedro DeCasanova, Vice President	2016
Tamika Harris-Brown	2015
Donavan McCargo	2015
Chanell Trader	2015
<b><u>OTHER OFFICIALS</u></b>	<b><u>AMOUNT OF BOND</u></b>
Richelle Baughn, Business Administrator	\$ 50,000
Jennifer Bailey, Assistant Business Administrator/Board Secretary	10,000
Jeannie Scott, Treasurer of School Monies	475,000



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, C.P.A., R.M.A.**  
**Nightlinger, Colavita and Volpa, P.A.**

Certified Public Accountants  
991 S. Black Horse Pike  
Post Office Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Ms. Jane B. Capasso**  
Attorney-at-Law

Lipman, Antonelli, Batt, Gibson, Malestein, Rothman & Capasso  
110 North Sixth Street/ P. O. Box 729  
Vineland, New Jersey 08362-0729

**OFFICIAL DEPOSITORY**

TD Bank  
501 Mickle Blvd.  
Camden, New Jersey 08103

**INSURANCE AGENT**

Conner Strong & Buckelew Companies, Inc.  
123 Rosenhayn Avenue  
P.O. Box 358  
Bridgeton, NJ 08302

## **FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245

October 28, 2014

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board of Trustees  
Camden's Pride Charter School, Inc.  
County of Camden  
Camden, New Jersey 08105

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden's Pride Charter School in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2014, which collectively comprise the Camden's Pride Charter School's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Camden's Pride Charter School, Inc., Board of Trustees, in the County of Camden, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 18 and 48 through 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden's Pride Charter School, Inc., Board of Trustees financial statements as a whole. The introductory section, combining fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of state assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2014 on our consideration of the Camden's Pride Charter School, Inc.'s Board of Trustees internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

CAMDEN'S PRIDE CHARTER SCHOOL, INC.  
CITY OF CAMDEN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

UNAUDITED

The discussion and analysis of Camden's Pride Charter School, Inc.'s financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2014, which is the sixth year of operations. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- ❖ Total revenues of the school were \$3,958,027, of which general revenues accounted for \$3,251,607 or 82.2% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$706,420 or 17.8% percent of all revenues.
- ❖ Total net position of governmental activities increased by \$159,548 comprised of changes in cash and receivables.
- ❖ The Charter School had \$3,793,801 in total expenses. Only \$706,420 of these expenses was offset by program specific charges for services, grants or contributions. Governmental Revenues, primarily State and Federal Aid of \$3,251,607, were adequate to provide for these programs.
- ❖ The General Fund had \$3,505,536 in revenues, \$3,336,580 in expenditures. The General Fund's balance increased \$168,956. This increase was anticipated by the Board of Trustees.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Camden's Pride Charter School, Inc. as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Charter School, presenting both an aggregate view of the School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Camden's Pride Charter School, Inc., the General Fund is by far the most significant fund.

## **Reporting the School as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the property tax base of the School's resident districts, current laws in New Jersey concerning revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

## **Reporting the School's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School's major (all) funds begins on page 21. Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major governmental funds are the General Fund and Special Revenue Fund.

### **Governmental Funds**

The School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.



## Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

## The School as a Whole

Recall that the Statement of Net Position provides the perspective of the School as a whole.

Table 1 provides a comparative summary of the School's net position for the years ended 2014 and 2013.

Table 1  
Net Position

	2014	2013
<b>Assets</b>		
Current and Other Assets	\$ 898,316	\$ 185,246
Receivables, Net	176,459	664,988
Capital Assets, Net	144,095	153,503
Total Assets	1,218,870	1,003,737
<b>Liabilities</b>		
Other Liabilities	195,925	145,018
Long-term Liabilities		
Total Liabilities	195,925	145,018
<b>Net Position</b>		
Investment in Capital Assets, Net of Debt	144,095	153,503
Restricted	606,141	485,000
Unrestricted	272,709	220,216
Total Net Position	\$ 1,022,945	\$ 858,719

Table 2 shows the changes in net position for the fiscal year's 2014 and 2013.

Table 2  
Changes in Net Position

	2014	2013
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 12,326	\$ 7,484
Operating Grants and Contributions	694,094	635,645
General Revenues		
Property Taxes	235,476	194,736
Grants and Entitlements	2,966,863	3,075,301
Other	49,268	2,458
<b>Total Revenues</b>	<b>3,958,027</b>	<b>3,915,624</b>
<b>Program Expenses</b>		
Instruction	1,537,470	1,632,145
Support Services		
Administration	911,317	877,699
School Administration	441,231	338,190
Rental of Land & Building	455,760	455,760
Employee Benefits	253,929	239,141
Unallocated Depreciation	21,408	20,910
Food Service	172,686	153,774
<b>Total Expenses</b>	<b>3,793,801</b>	<b>3,717,619</b>
<b>Increase in Net Position</b>	<b>\$ 164,226</b>	<b>\$ 198,005</b>

### Governmental Activities

The School's total revenue for the fiscal year ended June 30, 2014 was \$3,958,027, of which governmental revenues were \$3,251,607. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 7.3% percent of revenues for governmental activities for the Camden's Pride Charter School, for fiscal year 2014. Federal, state and local grants accounted for another 91.2% and miscellaneous revenue accounted for 1.5%. The School's total cost of all program and services was \$3,793,801. Instruction costs of \$1,537,470 comprised 49.7% of the \$3,092,059 in net Charter School Governmental Activity expenses.

### Business-Type Activities

Revenues for the School's business-type activities (Food Service Program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$4,678.
- ❖ Charges for services represent \$12,326 of revenue. This represents amount paid by patrons for daily food services, which amounts to 6.9% of \$177,364 in total revenue.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$165,038.

### Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School's resident district taxpayers by each of these functions.

Table 3

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Instruction	\$ 1,537,470	\$ 1,362,372	\$ 1,632,145	\$ 1,467,458
Support Services				
Administrative Services	911,317	811,288	877,699	792,697
School Administrative Services	441,231	441,231	338,190	338,190
Rental of Land & Building	455,760	455,760	455,760	455,760
Employee Benefits	253,929		239,141	-
Other	21,408	21,408	20,910	20,910
Total Expenses	\$ 3,621,115	\$ 3,092,059	\$ 3,563,845	\$ 3,075,015

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to liabilities of the School.

Other includes unallocated depreciation and amortization.

### The School's Funds

Information about the School's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds (i.e., General and Special Revenue funds presented in the fund-based statements) had total revenues of \$3,780,663 and expenditures of \$3,611,707. The net positive/negative change in fund balance for the year was in the General Fund, which represented an increase of \$168,956. This result shows that the School is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 284,744	8%	\$ 87,550	44%
State Sources	3,220,792	85%	(93,650)	-3%
Federal Sources	275,127	7%	25,438	10%
Total	<u>\$ 3,780,663</u>	<u>100%</u>	<u>\$ 19,338</u>	<u>1%</u>

The increases in Local Sources is attributed to \$40,740 in the local tax levy, combined with an increase in miscellaneous income of \$46,810.

The Decrease in State Sources is attributed to net decreases in various state aid categories.

The increase in Federal Sources is attributed to changes in various grant awards.

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2014.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 1,537,470	43%	\$ (94,675)	-6%
Undistributed Expenditures	2,062,237	57%	151,447	8%
Capital Outlay	12,000	0%	12,000	100%
Total	<u>\$ 3,611,707</u>	<u>100%</u>	<u>\$ 68,772</u>	<u>2%</u>

The decrease in Instruction is attributed to reduced costs in various instructional line items.

The increase in Undistributed Expenditures is attributed to increases in Administrative Expenses of \$33,618, School Administrative expenses of \$103,041 and unallocated benefits of \$14,788.

The increase in capital outlay resulted from expenditures for equipment and leasehold improvements.

### **General Fund Budgeting Highlights**

The School's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2014, the School amended its General Fund budget as needed. The School uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations.
- ❖ Changes in appropriations to prevent budget overruns.

While the School's final budget for the general fund anticipated that expenditures would exceed revenues by \$115,075, the actual results for the year show an excess of \$168,956 in revenues over expenditures. Excess revenues over expenses resulted in a favorable variance per Exhibit C-1.

- ❖ Actual revenues were \$40,348 less than expected, due to the variance in miscellaneous revenue, C-1. This excludes on-behalf state reimbursements of \$253,929.
- ❖ Actual expenditures were \$324,379 lower than expected, primarily in the areas of employee benefits, instruction and various other expenditure line items. This excludes on-behalf state reimbursements of \$253,929.

## Capital Assets

At the end of the fiscal year 2014, the school had \$155,483 invested in leasehold improvements and machinery and equipment, as illustrated below.

### Capital Assets (Net of Depreciation) at June 30

	2014	2013
Leasehold Improvements	\$ 69,270	\$ 61,269
Machinery and Equipment	74,825	92,234
Totals	\$ 144,095	\$ 153,503

Overall Capital Assets decreased by \$9,408 from the fiscal year 2013 to fiscal year 2014. The decrease was attributed to additions of \$12,000, offset by depreciation of \$21,408.

## Operating Leases

The School currently leases space for classrooms, administration and the food service operations.

## For the Future

The Camden's Pride Charter School, Inc. is presently in good financial condition. Continued optimum enrollment in the School will provide future financial stability. However, future finances are not without challenges as the school makes yearly lease payments.

As a charter school, it is a concern of the Board of Trustees of the School as to how future budgets would be financed. The administrator will also closely monitor instructional as well as support and administrative costs of the School.

In conclusion, as the Camden's Pride Charter School, Inc. plans for its' seventh year of operations, it is committed to sound financial planning, budgeting, and internal financial controls in order to meet the challenges of the future.

## Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers and oversight entities with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information please contact Ms. Rebecca Brinkman Phelan, Lead Person at Camden's Pride Charter School, Inc. Camden, N.J.

## **BASIC FINANCIAL STATEMENTS**

## **CHARTER SCHOOL - WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the School.



**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 866,162	\$ 32,154	\$ 898,316
Receivables, Net	140,767	34,245	175,012
Due from Other Funds	1,447		1,447
Capital Assets, Net (Note 5):	144,095		144,095
Total Assets	1,152,471	66,399	1,218,870
<b>LIABILITIES</b>			
Accounts Payable	133,374		133,374
Due to Other Governments	12,329	50,222	62,551
Total Liabilities	145,703	50,222	195,925
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	144,095		144,095
Restricted for:			
Capital Reserve	431,439		431,439
Escrow Fund	75,000		75,000
Other Purposes	99,702		99,702
Unrestricted	256,532	16,177	272,709
Total Net Position	\$ 1,006,768	\$ 16,177	\$ 1,022,945

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 1,537,470	\$ -	\$ 175,098	\$ (1,362,372)	\$ -	\$ (1,362,372)
Support Services:						
Administrative Services	911,317		100,029	(811,288)		(811,288)
School Administrative Services	441,231			(441,231)		(441,231)
Rental of Land and Buildings	455,760			(455,760)		(455,760)
Unallocated Benefits	253,929		253,929			
Unallocated Depreciation and Amortization	21,408			(21,408)		(21,408)
Total Governmental Activities	3,621,115		529,056	(3,092,059)		(3,092,059)
Business-type Activities:						
Food Service	172,686	12,326	165,038		4,678	4,678
Total Business-type Activities	172,686	12,326	165,038		4,678	4,678
Total Primary Government	\$ 3,793,801	\$ 12,326	\$ 694,094	\$ (3,092,059)	\$ 4,678	\$ (3,087,381)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 235,476	\$	\$ 235,476
Federal and State Aid not Restricted				2,966,863		2,966,863
Miscellaneous Income				49,268		49,268
Total General Revenues, Special Items, Extraordinary Items and Transfers				3,251,607		3,251,607
Change in Net Position				159,548	4,678	164,226
Net Position—Beginning				847,220	11,499	858,719
Net Position—Ending				\$ 1,006,768	\$ 16,177	\$ 1,022,945

**The accompanying Notes to Financial Statements are an integral part of this statement.**

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

## **GOVERNMENTAL FUNDS**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 866,162	\$	\$ 866,162
Interfund Receivable	92,101		92,101
Receivables from Local Governments	27,934		27,934
Federal Awards Receivable		112,316	112,316
Due from State of New Jersey	517		517
<b>Total Assets</b>	<b>\$ 986,714</b>	<b>\$ 112,316</b>	<b>\$ 1,099,030</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Due to State of New Jersey	\$ 12,329		\$ 12,329
Accounts Payable	111,712	21,662	133,374
Interfund Payable		90,654	90,654
<b>Total Liabilities</b>	<b>124,041</b>	<b>112,316</b>	<b>236,357</b>
Fund Balances:			
Restricted For:			
Escrow Fund	75,000		75,000
Capital Reserve	431,439		431,439
Assigned To:			
Year-End Encumbrances	13,200		13,200
Designated for Subsequent Year's Expenditures	86,502		86,502
Unassigned, Reported in:			
General Fund	256,532		256,532
<b>Total Fund Balances</b>	<b>862,673</b>		<b>862,673</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 986,714</b>	<b>\$ 112,316</b>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The costs of the fixed assets is \$216,110 and the accumulated depreciation is \$72,015.

144,095

Net Position of Governmental Activities

**\$ 1,006,768**

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local Sources:			
Local Tax Levy	\$ 235,476	\$	\$ 235,476
Miscellaneous	49,268		49,268
Total - Local Sources	284,744		284,744
State Sources	3,220,792		3,220,792
Federal Sources		275,127	275,127
Total Revenues	3,505,536	275,127	3,780,663
<b>EXPENDITURES</b>			
Current:			
Regular Instruction	1,362,372	175,098	1,537,470
Support Services:			
Administrative Services	811,288	100,029	911,317
School Administrative Services	441,231		441,231
Rental of Land and Buildings	455,760		455,760
Unallocated Benefits	253,929		253,929
Capital Outlay	12,000		12,000
Total Expenditures	3,336,580	275,127	3,611,707
Excess (Deficiency) of Revenues over Expenditures	168,956		168,956
<b>OTHER FINANCING SOURCES (USES)</b>			
Total Other Financing Sources and Uses			
Net Change in Fund Balances	168,956		168,956
Fund Balance—July 1	693,717		693,717
Fund Balance—June 30	\$ 862,673	\$	\$ 862,673

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Total net change in fund balances - governmental funds (from B-2)	\$ 168,956
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Amounts reported for governmental activities in the statement  
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of  
activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Capital Outlays	\$	12,000	
Depreciation expense		(21,408)	
		(9,408)	

Change in net position of governmental activities (A-2)	<u>\$ 159,548</u>
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**The accompanying Notes to Financial Statements are an integral part of this statement.**

## **PROPRIETARY FUNDS**



**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 32,154	\$ 32,154
Intergovernmental Receivable	31,969	31,969
Other Accounts Receivable	2,276	2,276
Total Current Assets	<u>66,399</u>	<u>66,399</u>
Fixed Assets:		
Equipment		
Accumulated Depreciation		
Total Fixed Assets	<u></u>	<u></u>
Total Assets	\$ <u>66,399</u>	\$ <u>66,399</u>
<b>LIABILITIES AND FUND EQUITY:</b>		
Current Liabilities:		
Intergovernmental Payable	\$ 50,222	\$ 50,222
Total Current Liabilities	<u>50,222</u>	<u>50,222</u>
Net Position		
Unrestricted	<u>16,177</u>	<u>16,177</u>
Total Net Position	<u>16,177</u>	<u>16,177</u>
Total Liabilities and Net Position	\$ <u>66,399</u>	\$ <u>66,399</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-type Activities</b>	
	<b>Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs:	\$ 12,326	\$ 12,326
Total Operating Revenue:	12,326	12,326
Operating Expenses:		
Cost of Sales	172,426	172,426
Other Cost	260	260
Total Operating Expenses	172,686	172,686
Operating Income (Loss)	(160,360)	(160,360)
Non-Operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,976	1,976
Federal Sources:		
National School Breakfast Program	48,666	48,666
National School Lunch Program	102,543	102,543
National School Snack Program	11,840	11,840
Interest Income	13	13
Total Non-Operating Revenues (Expenses)	165,038	165,038
Income (Loss) before Contributions & Transfers	4,678	4,678
Transfers		
Change in Net Position	4,678	4,678
Total Net Position—Beginning	11,499	11,499
Total Net Position—Ending	\$ 16,177	\$ 16,177

The accompanying Notes to Financial Statements are an integral part of this statement.

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Business-type Activities Enterprise Funds	
	Food Service	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ (13,448)	\$ (13,448)
Payments to Suppliers	(140,719)	(140,719)
Net Cash Provided by (used for) Operating Activities	(154,167)	(154,167)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	1,976	1,976
Federal Sources	163,049	163,049
Net Cash Provided by (used for) Non-capital Financing Activities	165,025	165,025
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	13	13
Net Cash Provided by (used for) Investing Activities	13	13
Net Increase (Decrease) in Cash and Cash Equivalents	10,871	10,871
Balances—Beginning of Year	21,283	21,283
Balances—End of Year	\$ 32,154	\$ 32,154
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating Income (Loss)	\$ (160,360)	\$ (160,360)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
(Increase) Decrease in Accounts Receivable	(25,774)	(25,774)
(Decrease) Increase in Intergovernmental Accounts Payable	31,967	31,967
Total Adjustments	6,193	6,193
Net Cash Provided by (used for) Operating Activities	\$ (154,167)	\$ (154,167)

**Noncash Noncapital Financing Activities:**

During the year, the district received zero dollars of food commodities from the U. S. Department of Agriculture

**The accompanying Notes to Financial Statements are an integral part of this statement.**

## **FIDUCIARY FUNDS**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2014**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 14,595	\$ 2,531
Total Assets	<u>14,595</u>	<u>2,531</u>
<b>LIABILITIES</b>		
Accounts Payable	2,076	
Payable to General Fund	1,430	17
Due to Student Groups		449
Payroll Deductions and Withholdings		<u>2,065</u>
Total Liabilities	<u>3,506</u>	<u>\$ 2,531</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 11,089</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Deposits	\$ 2,533
Interest	16
	<hr/>
Total Additions	2,549
	<hr/>
<b>DEDUCTIONS</b>	
Unemployment Claims	2,076
	<hr/>
Total Deductions	2,076
	<hr/>
Change in Net Position	473
Net Position—Beginning of the Year	10,616
	<hr/>
Net Position—End of the Year	\$ 11,089
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 1. DESCRIPTION OF THE SCHOOL CHARTER SCHOOL AND REPORTING ENTITY**

The Camden's Pride Charter School, Inc is located in the County of Camden, State of New Jersey and was incorporated on May 9, 2008 and began its first year of education operations in September of 2008. It was created through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a Charter School, the Camden's Pride Charter School, Inc. functions independently as an educational institution through a Board of Trustees (the "Board"). In accordance with the By-Laws of the Charter School, the Board is to consist of not less than 3 and not more than 14 individuals. At all times, constituency of the voting members of the Board of Trustees shall consist of 2 members nominated and elected by the Board selected from the Parent Council and two members nominated and elected by the Board of Trustees representing community leaders at large (which may include representatives from the Neighborhood Center, Inc.) The school administrator and a teacher elected by the teachers from the school are ex-officio members of the Board of Trustees without vote, and limited to the number of terms they may serve consecutively.

**A. Reporting Entity:**

The purpose of the Charter School is to educate Kindergarten and 4th grade students. The school was operated for the initial year of 2008-09, with an enrollment of 84 students. The charter provided for the enrollment of an additional 84 students in the 2010-11 school year and another 42 students in the 2011-12 school year, resulting in a maximum number of students approved in the charter of 210 students as of June 30, 2012. A subsequent amendment was made to the charter adding another 30 students in the 2012-13 school-year to arrive at the current maximum student enrollment of 240. A school business administrator and a board secretary were appointed by the Board and are responsible for the administrative control of the Charter School.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Charter School holds the corporate powers of the organization
- the Charter School appoints a voting majority of the organization's board
- the Charter School is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Charter School
- there is a fiscal dependency by the organization on the Charter School

There were no additional entities required to be included in the reporting entity, under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Camden's Pride Charter School, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Charter School's accounting policies are described below.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

**New Accounting Standards:**

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation:**

The Charter School basic financial statements consist of Charter School-Wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Charter School-Wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Charter School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the Charter School at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the Charter School and for each function of the Charter School's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are the expenses of the Charter School related to the administration and support of the Charter School's programs, such as personnel and accounting, and are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the Charter School's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting.

**B. Fund Accounting:**

The accounts of the Charter School are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting: (continued)**

The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped in the financial statements in this report:

**GOVERNMENTAL FUND TYPE**

**General Fund** - The general fund is the general operating fund of the School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for instructional and non-instructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Camden's Pride Charter School, Inc. includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmentalities, state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from the "local levy" local share charter school aid, "local levy" state share charter school aid, categorical aid, revenues from other sources and appropriated fund balance. Expenditures are those in excess of \$2,000, which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution. The Demonstrably Effective Program Aid is included in the General Fund.

**Special Revenue Fund** - The Charter School accounts for the proceeds of specific revenue sources from the state and federal government (other than expendable trusts, major capital projects or enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund.

**Capital Projects Fund** - The Charter School currently has no capital projects, and, therefore, the accounting system of the Charter School does not include a capital projects fund.

**Debt Service Fund** - The accounting system of the Charter School does not include a debt service fund in accordance with state statute.

**PROPRIETARY FUND TYPE**

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the Charter School:

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**PROPRIETARY FUND TYPE (CONTINUED)**

**Enterprise (Food Service) Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The School's Enterprise Fund is comprised of a Food Service Fund managed by an outside food service management company. For expediency, the financial records are maintained within the food service fund of the Camden's Promise Charter School. Federal and state subsidy reimbursements as well as a food service operating costs were allocated on a pro-rata basis. Inventory and commodity amounts were considered as owned by the Camden's Promise Charter School.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is separated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**Internal Service Fund** - The Camden's Pride Charter School does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

**FIDUCIARY FUND TYPE**

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the Charter School:

**Trust and Agency Funds** - The trust and agency funds are used to account for assets held by the Charter School in a Trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

**Nonexpendable Trust Fund** - A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligation to maintain the trust principal. The accounting system of the Charter School does not include a nonexpendable trust fund.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Funds consists of an Unemployment Compensation Insurance Fund

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Agency Funds (Payroll, Health Benefits and Student Activities Fund)** - Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. The accounting system of the Charter School includes a payroll fund and a student activities fund.

**C. Basis of Accounting and Measurement Focus:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*Charter School-Wide, Proprietary and Fiduciary Fund Financial Statements:* The Charter School-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school Charter School the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The Charter School records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the Charter School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Charter School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds.

Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Budgets/Budgetary Control:**

Charter School budgets are prepared annually and are submitted to the Department of Education for review. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are mandated by the Department of Education and are detailed in the Charter School Budget Summary form that is part of the New Jersey Charter School Application and are defined as the lowest (most specific) level of detail referenced in NJAC 6:20-2A (m) 1. Transfers of appropriations may be made by Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are to be maintained to allow for the presentation of GAAP basis financial reports.

Exhibit C-3 provides a reconciliation of the general and special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

**E. Encumbrance Accounting:**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any. Open encumbrances in the special revenue fund for which the Charter School has received advances (if any) are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

The Charter School had no reserved fund balance for encumbrances at June 30, 2014.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Tuition:**

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the District of the Charter School or are non-resident students.

**G. Assets, Liabilities and Equity:**

**Transactions**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

**Inventories**

On Charter School-Wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014. Inventory in the Food Service Fund at June 30, 2014, including commodities, were considered owned by the Camden's Promise Charter School. Therefore, ending inventory is not recorded in the Food Service Fund of the Camden's Pride Charter School, Inc.

**Capital Assets**

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Position. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Capital assets are depreciated in the Charter School-Wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**I. Unearned Revenue:**

Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned (see Note 2(B) regarding the special revenue fund).

**J. Fund Equity:**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**K. Charter School Funding:**

The Charter School is largely funded on its enrollment through the local levy and categorical aid, which follows a particular student. Funding flows from the State to the District Board of Education and then to the Charter School. In accordance with N.J.S.A. 18A:36A-12 "the school district of residence shall pay directly to the Charter School for each student enrolled in the Charter School who resides in the district a presumptive amount equal to 90% of the local tax levy budget per pupil for the specific grade level in the district. At the discretion of the commissioner and at the time the Charter is granted, the commissioner may require the School District of residence to pay directly to the Charter School for each student enrolled in the Charter School an amount equal to less than 90%, or an amount, which shall not exceed 100% of the local levy budget per pupil for the specific grade in the district of residence. The per pupil amount paid to the Charter School shall not exceed the local levy budget per pupil for the specific grade level in the District in which the Charter School is located. The District of residence shall also pay directly to the Charter School any categorical aid attributable to the student, provided the student is receiving appropriate categorical services and any federal funds attributable to the student."

During the school year, a charter school shall conduct an enrollment count on October 15, and the last day of the school year. A charter school shall submit each count through a summary school register for the purposes of determining average daily enrollment. Based on these counts, a charter school's revenue is adjusted accordingly.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**M. Net Position:**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**N. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end. Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**O. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Charter School's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Allocation of Indirect Expenses:**

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Q. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**R. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On Charter School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

**S. Short -Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

**T. Management Estimates:**

In order for the preparation of basic financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**U. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the School-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**V. Fund Balance Reserves:**

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**W. Lease Acquisition Costs:**

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with a maturity of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey Schools are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Schools. Investments are stated at cost, or amortized cost, which approximates market.

The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits:**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments:**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- b. Bonds OR other obligations of the school.

As of June 30, 2014, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking Accounts	\$ 915,442
Total	\$ 915,442

**Custodial Credit Risk** - Custodial Credit Risk is the risk that, in the event of a bank failure, the School Districts deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act. As of June 30, 2014, the School Districts bank balance of \$940,119 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	690,119
	\$ 940,119

**New Jersey Cash Management Fund** – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2014, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Adjustments/ Retirements</u></b>	<b><u>Ending Balance</u></b>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land				
Construction in Progress				
Total Capital Assets not being Depreciated				
Building Improvements	\$ 70,022	\$ 12,000		\$ 82,022
Machinery and Equipment	134,088			134,088
Total Historical Cost	204,110	12,000		216,110
Less Accumulated Depreciation for:				
Building Improvements	(8,753)	(3,999)		(12,752)
Machinery and Equipment	(41,854)	(17,409)		(59,263)
Total Accumulated Depreciation	(50,607)	(21,408)		(72,015)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	153,503	(9,408)		144,095
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 153,503</b>	<b>\$ (9,408)</b>		<b>\$ 144,095</b>

Depreciation expense was charged to governmental functions as follows:

Unallocated \$ 21,408

**NOTE 5. COMPENSATED ABSENCES**

In accordance with Statement No. 16 of the (GASB) entitled "Accounting for Compensated Absences", Part time employees are not entitled to compensated absences. Benefits paid in any future period will be calculated in accordance with formulas outlined in the Charter School agreements with any collective bargaining units and included in the budget of the current year of payment. There currently is no formal policy concerning payment of accumulated absences.

No liability existed for compensated absences of the governmental fund types at June 30, 2014.

As of June 30, 2014, no liability existed for compensated absences in the Food Service Fund because there are no employees paid out of this fund. The Food Service employees are provided and paid by an outside management company, Sodexo Food Management, Inc.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 6. OPERATING LEASES**

**Lease of Building Space**

The Camden's Pride Charter School has leased a portion of a building consisting of 32,000 square feet, the use of 897 North 31st Street, use of the Promise Academy Center located at 820 Lois Ave. and the use of the parking lot annexed hereto, for a term of one (1) year commencing on July 1, 2012 and ending June 30, 2013. The rent shall be \$455,760 per annum, payable in equally monthly installments of \$37,980 in advance, on the first day of each and every month.

**NOTE 7. PENSION PLANS**

**Description of Plans** - All required employees of the Charter School are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members.

The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 7. PENSION PLANS(CONTINUED)**

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service, or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for a 12 month period ending with each August 31<sup>st</sup> immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits (COLA) after 24 months of retirement.

**Significant Legislation** - P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 7. PENSION PLANS(CONTINUED)**

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b><u>Year</u></b>		<b><u>Annual</u></b>	<b><u>Percentage</u></b>		<b><u>Net</u></b>
<b><u>Funding</u></b>		<b><u>Pension</u></b>	<b><u>of APC</u></b>		<b><u>Pension</u></b>
		<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>		<b><u>Obligation</u></b>
6/30/14	\$	17,701	100%	\$	17,701
6/30/13		11,157	100%		11,157
6/30/12		6,959	100%		6,959

**Trend Information for TPAF (Paid on-behalf of the Charter School)**

<b><u>Year</u></b>		<b><u>Annual</u></b>	<b><u>Percentage</u></b>		<b><u>Net</u></b>
<b><u>Funding</u></b>		<b><u>Pension</u></b>	<b><u>of APC</u></b>		<b><u>Pension</u></b>
		<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>		<b><u>Obligation</u></b>
6/30/14	\$	145,538	100%	\$	0
6/30/13		130,586	100%		0
6/30/12		61,525	100%		0

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$55,136 to the TPAF for pension contributions and \$90,402 to the TPAF for post-retirement benefits and nothing for normal costs on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$108,391 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1991 and 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 and 1994 fiscal years. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Charter School assumed the increased cost for the early retirement as it was affected.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 8. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

**NOTE 9. DEFERRED COMPENSATION**

The Board currently offers its employees the Equivest deferred compensation plan created in accordance with Internal Revenue Code Section 403(b).

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 92,101	\$
Special Revenue		90,654
Unemployment		1,430
Agency		17
Total	<u>\$ 92,101</u>	<u>\$ 92,101</u>

**NOTE 11. RISK MANAGEMENT**

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 11. RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance** - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the Reserve method. Under this plan, the Charter School is required to contribute a percentage of wages to the New Jersey Unemployment Trust Fund on a quarterly basis. The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance June 30,</u>
2013-2014	\$	\$ 2,549	\$ 2,076	\$ 11,089
2012-2013		6,373	1,430	10,616
2011-2012		15,530	13,949	5,673

**NOTE 12. FUND BALANCE**

**General Fund** - Of the \$862,673 in General Fund balance at June 30, 2014, \$13,200 has been assigned to year-end encumbrances; \$431,439 has been restricted in the Capital Reserve Account; \$75,000 was reserved for an Escrow Account, \$86,502 has been assigned to Subsequent Year's Expenditures and appropriated and included as anticipated revenue for the fiscal year ending June 30, 2015 and the remaining balance is Unassigned Fund Balance of \$256,532.

**NOTE 13. LITIGATION**

In the opinion of the administration and legal counsel, the Charter School is not involved as a defendant in any legal proceedings of which the potential losses, if any, would not be material to the financial statements.

**NOTE 14. CAPITAL RESERVE ACCOUNT**

The capital reserve account is maintained in the general fund and was established on June 27, 2011 by the Camden's Pride Charter School, Inc. by inclusion of \$410,000 through Board acclamation, to accumulate funds for use as capital outlay expenditures in subsequent fiscal years. There was a \$21,439 budgeted increase to the reserve in the 2013-14 school-year, resulting in a balance of \$431,439, as of June 30, 2014.

**NOTE 15. GUARANTOR OF QUALITY SCHOOL CONSTRUCTION BONDS**

In July of 2012, The Camden's Pride Charter School, Inc. became a Guarantor of Quality School Construction Bonds through the New Jersey Economic Development Authority in the amount of \$2,467,080, regarding improvements to a school operated by Camden Academy Charter High School, Inc.

**NOTE 16. SUBSEQUENT EVENTS**

There were no material events subsequent to June 30, 2014 that require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Revenue/ Expenditures</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>REVENUES:</b>					
"Local Tax Levy"- Local Share - Charter School Aid:					
City of Camden	\$ 88,530	\$	\$ 88,530	\$ 88,530	\$
Township of Pennsauken	111,653		111,653	111,653	
Bellmawr	6,632		6,632	6,632	
Cherry Hill	2,850		2,850	2,850	
Woodlynne Borough	2,570		2,570	2,570	
Winslow Township	19,964		19,964	19,964	
Haddon Township	1,475		1,475	1,475	
Lawnside	1,802		1,802	1,802	
Total - Local Share Tax Levy	235,476		235,476	235,476	
"Local Tax Levy"- State Share - Charter School Aid:					
Equalization Aid	2,795,748		2,795,748	2,835,437	39,689
Total - Local Levy Budget	3,031,224		3,031,224	3,070,913	39,689
Categorical State Aids					
Special Education Aid	63,827		63,827	31,922	(31,905)
Security Aid	101,404		101,404	99,504	(1,900)
Total Categorical Aids	165,231		165,231	131,426	(33,805)
Other State Aid:					
On-Behalf TPAF Pension Contrib (Non-budgeted)				55,136	55,136
On-behalf TPAF Post Retirement Medical Contrib				90,402	90,402
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				108,391	108,391
Total Other State Aid				253,929	253,929
Total State Aid	165,231		165,231	385,355	220,124
Revenue from Other Sources					
Miscellaneous	95,500		95,500	49,268	(46,232)
Total Revenue from Other Sources	95,500		95,500	49,268	(46,232)
<b>TOTAL REVENUES</b>	<b>\$ 3,291,955</b>	<b>\$</b>	<b>\$ 3,291,955</b>	<b>\$ 3,505,536</b>	<b>\$ 213,581</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSES:</b>					
Instruction:					
Salaries of Teachers - Kindergarten	\$ 177,500	\$	\$ 177,500	\$ 177,500	\$
Salaries of Teachers - Grades 1-5	1,132,900		1,132,900	1,029,744	103,156
Other Salaries for Instruction					
Purchased Professional - Technical Services	40,000		40,000	30,766	9,234
Other Purchased Services	15,000		15,000	13,026	1,974
General Supplies	85,000		85,000	81,583	3,417
Textbooks	30,000		30,000	25,025	4,975
Miscellaneous Expenditures	5,000		5,000	4,728	272
Total Instruction Expenses	1,485,400		1,485,400	1,362,372	123,028

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>UNDISTRIBUTED EXPENDITURES:</b>					
Administration:					
Salaries - Administration	\$ 199,000	\$ 79,500	\$ 278,500	\$ 278,500	
Salaries of Secretarial and Clerical Assistants	75,000	(75,000)			
Other Retirement Contributions - PERS		23,950	23,950	21,845	2,105
Health Benefits	484,200	(23,950)	460,250	432,405	27,845
Purchased Professional/Tech Services	80,000	(7,022)	72,978	35,196	37,782
Other Purchased Services	25,000	2,522	27,522	25,959	1,563
General Supplies & Materials	21,000		21,000	13,220	7,780
Miscellaneous Expenditures	7,000		7,000	4,163	2,837
<b>Total Administration Expenses</b>	<b>891,200</b>		<b>891,200</b>	<b>811,288</b>	<b>79,912</b>
Support Services/School Administration:					
Salaries of Secretarial and Clerical Assistants	177,800	2,622	180,422	180,422	
Purchased Professional/Technical Services	75,000	(13)	74,987	74,244	743
Other Purchased Services	5,000	13	5,013	4,952	61
Rental of Land and Buildings	655,760	(130,983)	524,777	455,760	69,017
Insurance for Property, Liability, and Fidelity	16,370	2,000	18,370	18,366	4
Supplies & Materials	5,000	(2,622)	2,378	1,999	379
Energy Costs	77,000	3,716	80,716	65,620	15,096
Other Objects		95,628	95,628	95,628	
Miscellaneous Expenditures	5,000	(5,000)			
<b>Total Support Services/School Administration:</b>	<b>1,016,930</b>	<b>(34,639)</b>	<b>982,291</b>	<b>896,991</b>	<b>85,300</b>
Student Transportation Services:					
Contracted Services (Home/School) Vendors	1,500		1,500		1,500
<b>Total Student Transportation Services</b>	<b>1,500</b>		<b>1,500</b>		<b>1,500</b>
On-behalf TPAF Pension Contrib.				55,136	(55,136)
On-behalf TPAF Post Retirement Medical Contrib				90,402	(90,402)
Reimbursed TPAF Social Security Contrib. (Non-budgeted)				108,391	(108,391)
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>3,395,030</b>	<b>(34,639)</b>	<b>3,360,391</b>	<b>3,324,580</b>	<b>35,811</b>
Capital Outlay					
Increase in Capital Reserve		21,439	21,439		21,439
Non-Instructional - Equipment	12,000	13,200	25,200	12,000	13,200
<b>Total Equipment</b>	<b>12,000</b>	<b>34,639</b>	<b>46,639</b>	<b>12,000</b>	<b>34,639</b>
<b>Total Capital Outlay Expenditures</b>	<b>12,000</b>	<b>34,639</b>	<b>46,639</b>	<b>12,000</b>	<b>34,639</b>
<b>TOTAL EXPENDITURES</b>	<b>3,407,030</b>		<b>3,407,030</b>	<b>3,336,580</b>	<b>70,450</b>

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,075)		(115,075)	168,956	284,031
Other Financing Sources (Uses): Transfers	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(115,075)		(115,075)	168,956	284,031
Fund Balances, July 1	693,717		693,717	693,717	
Fund Balances, June 30	<u>\$ 578,642</u>	<u>\$ _____</u>	<u>\$ 578,642</u>	<u>\$ 862,673</u>	<u>\$ 284,031</u>

**RECAPITULATION :**

**Restricted Fund Balance:**

Escrow Fund	\$ 75,000
Capital Reserve	431,439

**Assigned to:**

Year-End Encumbrances	13,200
Designated for Subsequent Year's Expenditures	86,502

**Unassigned Fund Balance**

256,532

**TOTAL**

\$ 862,673

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**AS OF JUNE 30, 2014**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ 215,517	\$ 65,055	\$ 280,572	\$ 275,127	\$ (5,445)
State Sources					
<b>Total Revenues</b>	<u>215,517</u>	<u>65,055</u>	<u>280,572</u>	<u>275,127</u>	<u>(5,445)</u>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	115,565	(1,565)	114,000	114,000	
Supplies and Materials	55,317	5,781	61,098	61,098	
<b>Total Instruction</b>	<u>170,882</u>	<u>4,216</u>	<u>175,098</u>	<u>175,098</u>	
<b>Support Services</b>					
Personal Services - Employee Benefits	17,335	7,120	24,455	19,537	4,918
Purchased Professional & Technical Services		51,717	51,717	51,717	
Other Purchased Services	24,200	5,102	29,302	28,775	527
Supplies and Materials	3,100	(3,100)			
<b>Total Support Services</b>	<u>44,635</u>	<u>60,839</u>	<u>105,474</u>	<u>100,029</u>	<u>5,445</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<u>215,517</u>	<u>65,055</u>	<u>280,572</u>	<u>275,127</u>	<u>5,445</u>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<u>215,517</u>	<u>65,055</u>	<u>280,572</u>	<u>275,127</u>	<u>5,445</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

## **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**



**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1] \$ 3,505,536	[C-2] \$ 275,127
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that		
encumbrances are recognized as expenditures, and the related		
revenue is recognized.		
State aid payment recognized for budgetary purposes,		
not recognized for GAAP statements		
 Total revenues as reported on the statement of revenues, expenditures		
and changes in fund balances - governmental funds.	[B-2] \$ 3,505,536	[B-2] \$ 275,127
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the		
budgetary comparison schedule	[C-1] \$ 3,336,580	[C-2] \$ 275,127
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but		
not received are reported in the year the order is placed for		
<i>budgetary</i> purposes, but in the year the supplies are received		
for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of		
budgetary resources but are not expenditures		
for financial reporting purposes.		
Net transfers (outflows) to general fund		
 Total expenditures as reported on the statement of revenues,		
expenditures, and changes in fund balances - governmental funds	[B-2] \$ 3,336,580	[B-2] \$ 275,127

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2013)**

	NCLB						Totals	
	Title I Part A	Title I - C/O 2012-2013	Title II Part A	Title II CO Part A 2012-2013	Preschool Education	IDEA Part B	2014	2013
<b>REVENUES:</b>								
Federal Sources	\$ 205,272	\$ 17,121	\$ 343	\$ 674	\$ 922	\$ 50,795	\$ 275,127	\$ 249,689
State Sources								
Total Revenues	\$ 205,272	\$ 17,121	\$ 343	\$ 674	\$ 922	\$ 50,795	\$ 275,127	\$ 249,689
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	\$ 100,000	\$ 14,000					\$ 114,000	\$ 120,765
Supplies and Materials	60,814	284					61,098	43,922
Total Instruction	160,814	14,284					175,098	164,687
Support Services:								
Personal Services-Employee Benefits	16,700	2,837					19,537	19,045
Purchased Prof. & Technical Services					\$ 922	\$ 50,795	51,717	53,300
Other Purchased Services	27,758		\$ 343	\$ 674			28,775	10,800
Supplies and Materials								1,857
Total Support Services	44,458	2,837	343	674	922	50,795	100,029	85,002
Facilities Acquisitions & Const Serv:								
Instructional Equipment								
Total Facilities Acquisition & Construction Services								
Total Expenditures	\$ 205,272	\$ 17,121	\$ 343	\$ 674	\$ 922	\$ 50,795	\$ 275,127	\$ 249,689

## **PROPRIETARY FUND**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all Schools.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Current Assets:		
Cash	\$ 32,154	\$ 21,283
Accounts Receivable:		
State	348	98
Federal	31,621	7,305
Other	2,276	1,068
Total Current Assets	\$ <u>66,399</u>	\$ <u>29,754</u>
<b>LIABILITIES AND NET POSITION:</b>		
Current Liabilities:		
Intergovernmental Payable	\$ 50,222	\$ 18,255
Total Current Liabilities	<u>50,222</u>	<u>18,255</u>
Net Position:		
Unreserved Retained Earnings	<u>16,177</u>	<u>11,499</u>
Total Net Position	<u>16,177</u>	<u>11,499</u>
Total Liabilities and Net Position	\$ <u>66,399</u>	\$ <u>29,754</u>

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES:</b>		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$ 12,326	\$ 7,484
Total Operating Revenue	<u>12,326</u>	<u>7,484</u>
<b>OPERATING EXPENSES:</b>		
Satellite Food Service Operation Cost	172,426	153,774
Other Cost	260	
Total Operating Expenses	<u>172,686</u>	<u>153,774</u>
Operating Loss	<u>(160,360)</u>	<u>(146,290)</u>
Non-Operating Revenues:		
State Sources:		
State School Lunch Program	1,976	1,892
Federal Sources:		
National School Lunch Program	102,543	96,114
School Breakfast Program	48,666	48,794
National School Snack Program	11,840	
Interest	13	15
Total Non-Operating Revenues	<u>165,038</u>	<u>146,815</u>
Net Income (Loss) before Operating Transfers	<u>4,678</u>	<u>525</u>
Transfers		
Net Income (Loss)	<u>4,678</u>	<u>525</u>
Net Position - July 1	<u>11,499</u>	<u>10,974</u>
Net Position - June 30	<u>\$ 16,177</u>	<u>\$ 11,499</u>

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (160,360)	\$ (146,290)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
Decrease/(Increase) in Accounts Receivable	(25,774)	6,023
(Decrease)/Increase in Intergovernmental Accounts Payable	31,967	951
Net Cash Used by Operating Activities	<u>(154,167)</u>	<u>(139,316)</u>
Cash Flows from Non-capital Financing Activities		
Cash Received from State and Federal Reimbursements	<u>165,025</u>	<u>146,800</u>
Net Cash Provided by Non-capital Financing Activities	<u>165,025</u>	<u>146,800</u>
Net Cash Provided by Investment Interest Activities	<u>13</u>	<u>15</u>
Net Increase in Cash	10,871	7,499
Cash and Cash Equivalents, July 1	<u>21,283</u>	<u>13,784</u>
Cash and Cash Equivalents, June 30	<u>\$ 32,154</u>	<u>\$ 21,283</u>



## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school.

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<u>Agency</u>			<u>Total</u>	
	<u>Expendable</u>	<u>Student</u>	<u>Payroll</u>	<u>2014</u>	<u>2013</u>
	<u>Trust</u>	<u>Activity</u>			
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 14,595	\$ 449	\$ 2,082	\$ 17,126	\$ 13,995
Due from General Fund					160
Total Assets	<u>\$ 14,595</u>	<u>\$ 449</u>	<u>\$ 2,082</u>	<u>\$ 17,126</u>	<u>\$ 14,155</u>
<b>LIABILITIES AND NET POSITION:</b>					
Liabilities:					
Accounts Payable	\$ 2,076	\$	\$	\$ 2,076	\$ 2,101
Due to General Fund	1,430		17	1,447	553
Due to Student Groups		449		449	295
Payroll Deductions and Withholdings			2,065	2,065	590
Total Liabilities	<u>3,506</u>	<u>449</u>	<u>2,082</u>	<u>6,037</u>	<u>3,539</u>
Net Position:					
Held in Trust for Unemployment					
Claims and Other Purposes	<u>11,089</u>			<u>11,089</u>	<u>10,616</u>
Total Liabilities and					
Net Position	<u>\$ 14,595</u>	<u>\$ 449</u>	<u>\$ 2,082</u>	<u>\$ 17,126</u>	<u>\$ 14,155</u>

**EXHIBIT H-2**

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
<b>REVENUES:</b>		
Local Sources:		
Deposits	\$ 2,533	\$ 6,365
Interest	16	8
	<u>2,549</u>	<u>6,373</u>
Total Revenue		
<b>EXPENDITURES:</b>		
Current Expense:		
Unemployment Compensation Claims	<u>2,076</u>	<u>1,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	473	4,943
Net Position, July 1	<u>10,616</u>	<u>5,673</u>
Net Position, June 30	<u>\$ 11,089</u>	<u>\$ 10,616</u>

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Balance</u> <u>July 1,</u> <u>2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>June 30,</u> <u>2014</u>	<u>Due From</u> <u>General</u> <u>Fund</u>	<u>Balance</u> <u>June 30,</u> <u>2014</u>
Student Activity Fund	\$ 295	\$ 26,847	\$ 26,182	\$ 671	\$ 160	\$ 449

**CAMDEN'S PRIDE CHARTER SCHOOL INC.**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,143	\$ 1,968,752	\$ 1,967,813	\$ 2,082
Total Assets	<u>\$ 1,143</u>	<u>\$ 1,968,752</u>	<u>\$ 1,967,813</u>	<u>\$ 2,082</u>
<b>LIABILITIES AND RESERVES:</b>				
Due to Current Fund	\$ 553	\$ 17	\$ 553	\$ 17
Payroll Deductions and Withholdings	<u>590</u>	<u>1,968,735</u>	<u>1,967,260</u>	<u>2,065</u>
Total Liabilities	<u>1,143</u>	<u>1,968,752</u>	<u>1,967,813</u>	<u>2,082</u>
Total Liabilities and Reserves	<u>\$ 1,143</u>	<u>\$ 1,968,752</u>	<u>\$ 1,967,813</u>	<u>\$ 2,082</u>

## **STATISTICAL SECTION**

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NET POSITION BY COMPONENT**  
**LAST SIX FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,					
	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$	\$	\$ 178,642	\$ 174,413	\$ 153,503	\$ 144,095
Capital Reserve			410,000	410,000	410,000	431,439
Escrow Account					75,000	75,000
Other Purposes						99,702
Unrestricted	404,960	919,228	110,792	65,327	208,717	256,532
<b>Total Governmental Activities Net Position</b>	<b>\$ 404,960</b>	<b>\$ 919,228</b>	<b>\$ 699,434</b>	<b>\$ 649,740</b>	<b>\$ 847,220</b>	<b>\$ 1,006,768</b>
<b>Business-Type Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$	\$	\$
Unrestricted	120		1,859	10,974	11,499	16,177
<b>Total Business-Type Activities Net Position</b>	<b>\$ 120</b>	<b>\$</b>	<b>\$ 1,859</b>	<b>\$ 10,974</b>	<b>\$ 11,499</b>	<b>\$ 16,177</b>
<b>District-Wide</b>						
Invested in Capital Assets, Net of Related Debt	\$	\$	\$ 178,642	\$ 174,413	\$ 153,503	\$ 144,095
Capital Reserve			410,000	410,000	410,000	431,439
Escrow Account					75,000	75,000
Unrestricted	405,080	919,228	112,651	76,301	220,216	272,709
<b>Total District-Wide Net Position</b>	<b>\$ 405,080</b>	<b>\$ 919,228</b>	<b>\$ 701,293</b>	<b>\$ 660,714</b>	<b>\$ 858,719</b>	<b>\$ 1,022,945</b>

Source: CAFR Schedule A-1

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**CHANGES IN NET POSITION**  
**LAST SIX FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,					
	2009	2010	2011	2012	2013	2014
<b>Expenses</b>						
Governmental Activities						
Instruction						
Regular	\$ 422,838	\$ 623,416	\$ 1,142,210	\$ 1,344,950	\$ 1,632,145	\$ 1,537,470
Support Services						
Administrative Services	402,343	267,700	627,547	747,962	877,699	911,317
School Administrative Services	168,542	119,242	214,241	353,901	338,190	441,231
Rental of Land and Buildings		249,763	805,827	735,000	455,760	455,760
Transportation		4,562				
Employee Benefits		190,194	70,524	158,724	239,141	253,929
Unallocated Depreciation and Amortization			8,787	20,910	20,910	21,408
Total Governmental Activities Expenses	993,723	1,454,877	2,869,136	3,361,447	3,563,845	3,621,115
Business-Type Activities						
Food Service	49,745	76,981	101,105	131,889	153,774	172,686
Total Business-Type Activities Expense	49,745	76,981	101,105	131,889	153,774	172,686
Total District Expenses	\$ 1,043,468	\$ 1,531,858	\$ 2,970,241	\$ 3,493,336	\$ 3,717,619	\$ 3,793,801
<b>Program Revenues</b>						
Governmental Activities						
Charges for Services	\$	\$	\$	\$	\$	\$
Operating Grants and Contributions	338,469	262,637	330,301	439,422	488,830	529,056
Total Governmental Activities Program Revenues	338,469	262,637	330,301	439,422	488,830	529,056
Business-Type Activities						
Charges for Services						
Food Service	1,598	2,054	6,138	5,539	7,484	12,326
Operating Grants and Contributions	48,266	74,807	96,826	135,465	146,815	165,038
Total Business-Type Activities Program Revenues	49,864	76,861	102,964	141,004	154,299	177,364
Total District Program Revenues	\$ 388,333	\$ 339,498	\$ 433,265	\$ 580,426	\$ 643,129	\$ 706,420
<b>Net (Expense)/Revenue</b>						
Governmental Activities	\$ (655,254)	\$ (1,192,240)	\$ (2,538,835)	\$ (2,922,025)	\$ (3,075,015)	\$ (3,092,059)
Business-Type Activities	119	(120)	1,859	9,115	525	4,678
Total District-Wide Net Expense	\$ (655,135)	\$ (1,192,360)	\$ (2,536,976)	\$ (2,912,910)	\$ (3,074,490)	\$ (3,087,381)
<b>General Revenues and Other Changes in Net Position</b>						
Governmental Activities						
Property Taxes Levied for General Purposes, net	\$ 55,667	\$ 82,200	\$ 114,459	\$ 155,199	\$ 194,736	\$ 235,476
Unrestricted Grants and Contributions	1,002,999	1,584,357	2,202,756	2,711,356	3,075,301	2,966,863
Miscellaneous Income	1,548	39,951	1,986	5,776	2,458	49,268
Transfers			(160)			
Total Governmental Activities	1,060,214	1,706,508	2,319,041	2,872,331	3,272,495	3,251,607
Business-Type Activities						
Investment Earnings	1					
Total Business-Type Activities	1					
Total District-Wide	\$ 1,060,215	\$ 1,706,508	\$ 2,319,041	\$ 2,872,331	\$ 3,272,495	\$ 3,251,607
<b>Change in Net Position</b>						
Governmental Activities	\$ 404,960	\$ 514,268	\$ (219,794)	\$ (49,694)	\$ 197,480	\$ 159,548
Business-Type Activities	120	(120)	1,859	9,115	525	4,678
Total District-Wide	\$ 405,080	\$ 514,148	\$ (217,935)	\$ (40,579)	\$ 198,005	\$ 164,226

Source: CAFR Schedule A-2



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST SIX FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,					
	2009	2010	2011	2012	2013	2014
General Fund						
Capital Reserve	\$	\$	\$ 410,000	\$ 410,000	\$ 410,000	\$ 431,439
Escrow Account					75,000	75,000
Assigned to:						
Year-end Encumbrances						13,200
Designated for Subsequent Year's Expenditures						86,502
Unassigned	404,960	919,228	110,792	65,327	208,717	256,532
Total General Fund	<u>\$ 404,960</u>	<u>\$ 919,228</u>	<u>\$ 520,792</u>	<u>\$ 475,327</u>	<u>\$ 693,717</u>	<u>\$ 862,673</u>
All Other Governmental Funds						
Reserved	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:						
Special Revenue Fund						
Capital Projects Fund						
Total All Other Governmental Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Source: CAFR Schedule B-1

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST SIX FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>						
Tax Levy	\$ 55,667	\$ 82,200	\$ 114,459	\$ 155,199	\$ 194,736	\$ 235,476
Miscellaneous	1,548	39,951	1,986	5,776	2,458	49,268
State Sources	1,002,999	1,584,357	2,147,756	2,870,080	3,314,442	3,220,792
Federal Sources	338,469	262,637	385,301	280,698	249,689	275,127
Total Revenues	<u>1,398,683</u>	<u>1,969,145</u>	<u>2,649,502</u>	<u>3,311,753</u>	<u>3,761,325</u>	<u>3,780,663</u>
<b>Expenditures</b>						
Instruction						
Regular Instruction	422,838	623,416	1,142,210	1,344,950	1,632,145	1,537,470
Support Services						
Administrative Services	402,343	267,700	627,547	747,962	877,699	911,317
School Administrative Services	168,542	119,242	214,241	353,901	338,190	441,231
Rental of Land and Buildings		249,763	805,827	735,000	455,760	455,760
Transportation		4,562	70,524	158,724		
Unallocated Employee Benefits		190,194	187,429	16,681	239,141	253,929
Capital Outlay						12,000
Total Expenditures	<u>993,723</u>	<u>1,454,877</u>	<u>3,047,778</u>	<u>3,357,218</u>	<u>3,542,935</u>	<u>3,611,707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	404,960	514,268	(398,276)	(45,465)	218,390	168,956
<b>Other Financing Sources (Uses)</b>						
Transfers			(160)			
Total Other Financing Sources (Uses)			(160)			
Net Change in Fund Balances	<u>\$ 404,960</u>	<u>\$ 514,268</u>	<u>\$ (398,436)</u>	<u>\$ (45,465)</u>	<u>\$ 218,390</u>	<u>\$ 168,956</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

Source: CAFR Schedule B-2

**EXHIBIT J-5**

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST SIX FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Interest on Investments</b>	<b>Insurance Refund</b>	<b>Teacher Mentoring</b>	<b>Prior Year Tuition</b>	<b>Refund of Prior Year Expenditure</b>	<b>KATZ Shared Service</b>	<b>Misc.</b>	<b>Total</b>
2014	\$ 245	\$ 198	\$	\$	1,866	\$ 46,250	\$ 709	\$ 49,268
2013							2,458	2,458
2012							5,776	5,776
2011							1,986	1,986
2010							2,207	2,207
2009							1,548	1,548

Source: District Records

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS\*\***  
**LAST SIX FISCAL YEARS**

Year	Population <sup>a</sup>	Personal Income (Thousands of Dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>	
2014	*	76,898	\$ 3,572,323,812	\$ 46,455	16.1%
2013		76,903	3,537,184,246	45,995	16.0%
2012		77,250	3,517,965,000	45,540	18.5%
2011		77,283	3,428,196,597	44,359	19.6%
2010		77,335	3,283,412,095	42,457	18.6%
2009		79,790	3,370,489,180	42,242	17.8%

\* Estimate

\*\* The above demographics reflect the entire City of Camden population.

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita (County information vs. municipality information)

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST SIX FISCAL YEARS**

<b><u>Function/Program</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Instruction						
Regular	6	23	19	23	25	25
Special Education	1	3	3	4	4	4
Other Special Education						2
Vocational						
Other Instruction						
Support Services:						
Student & Instruction Related Services						
General Administrative Services	1	1	1	1	2	1
School Administrative Services	1	1	1	1	2	2
Business Administrative Services		1	1	1	1	2
Plant Operations and Maintenance			1	1	2	1
Pupil Transportation			1	1		2
Food Service			1	1	1	1
Total	9	29	28	33	37	40

**Source:** District Personnel Records

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**OPERATING STATISTICS**  
**LAST SIX FISCAL YEARS**

<b><u>Fiscal Year</u></b>	<b><u>Enrollment</u></b>	<b><u>Operating Expenditures</u></b>	<b><u>Cost Per Pupil</u></b>	<b><u>Percentage Change</u></b>	<b><u>Teaching Staff</u></b>	<b><u>Pupil/Teacher Ratio</u></b>	<b><u>Average Daily Enrollment (ADE) <sup>c</sup></u></b>	<b><u>Average Daily Attendance (ADA) <sup>c</sup></u></b>	<b><u>% Change in Average Daily Enrollment</u></b>	<b><u>Student Attendance Percentage</u></b>
2014	240	\$ 3,599,707	\$ 14,998.78	1.60%	31	16 : 1	238.7	230	-1.55%	96.36%
2013	240	3,542,935	14,762.23	-7.20%	29	16 : 1	240	231	35.71%	96.25%
2012	210	3,340,537	15,907.32	-6.57%	27	14 : 1	210	203	51.07%	96.67%
2011	168	2,860,349	17,025.89	47.45%	22	14 : 1	167.1	162	48.93%	96.95%
2010	126	1,454,877	11,546.64	-2.40%	26	14 : 1	126	122	50.00%	96.83%
2009	84	993,723	11,830.04	N/A	7	14 : 1	84	81.5	N/A	97.02%

**Sources:** District records, ASSA and Schedule J-14

**Note:** Enrollment based on annual October district count.

- a) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b) Teaching staff includes only full-time equivalents of certificated staff.
- c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**SCHOOL BUILDING INFORMATION**  
**LAST SIX FISCAL YEARS**

<b><u>District Building</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
<b><u>Elementary</u></b>						
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	84	126	168	168	240	240
Enrollment	84	126	168	210	240	240
<b><u>Middle</u></b>	N/A					
Square Feet						
Capacity (students)						
Enrollment						
<b><u>High</u></b>	N/A					
Camden Academy Charter High School, Inc.						
Square Feet						
Capacity (students)						
Enrollment						
<b><u>Other</u></b>	N/A					
Administration Building						
Square Feet						
Transportation						
Square Feet						
Maintenance Offices						
Square Feet						
Number of Schools at June 30, 2014						
Elementary = 1						
Middle School =						
High School =						
Other =						

**Source:** District records, ASSA

**Note:** Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions.  
 Enrollment is based on the annual October district count.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(UNAUDITED)**

<b>Company</b>	<b>Type of Coverage</b>	<b>Coverage</b>	<b>Deductible</b>
	July 1, 2013 - July 1, 2014:		
NJSBAIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 30,053,400	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operations	6,000,000	5,000
	Personal Advertising Injury	6,000,000	5,000
	Bodily Injury & Property Damage	6,000,000	5,000
	Employee Benefits Liability	6,000,000	5,000
	Comprehensive Automobile Liability	6,000,000	1,000
	Boiler and Machinery	100,000,000	5,000
	Employee Dishonesty Coverage	100,000	1,000
	Inland Marine	253,000	1,000
	Legal Liability	5,000,000	5,000
	Workman's Compensation:		
	Bodily Injury from Accident	2,000,000	
	Bodily Injury from Disease/Aggregate Limit	2,000,000	
	Bodily Injury from Disease/ Each Employee	2,000,000	
Markel Ins. Co.	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
NJ School Boards	Treasurer's Bond	475,000	
	Business Administrator	50,000	
Ohio Casualty Ins. Co.	Asst. Business Administrator	10,000	
Berkley Ins. Co.	Compulsory Student Accident	1,000,000	
Markel Ins. Co.	Catastrophic Student Accident	2,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

**Source: District Records**



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**FINANCIAL PERFORMANCE - FISCAL RATIOS**  
**June 30, 2014**  
**(UNAUDITED)**

	2012	2013	2014		Source
Cash	\$ 334,982	\$ 185,246	\$ 898,316		Audit: Exhibit A-1
Current Assets	548,648	850,234	1,074,775		Audit: Exhibit A-1
Total Assets	723,061	1,003,737	1,218,870		Audit: Exhibit A-1
Current Liabilities	62,347	145,018	195,925		Audit: Exhibit A-1
Total Liabilities	62,347	145,018	195,925		Audit: Exhibit A-1
Net Position	\$ 660,714	\$ 858,719	\$ 1,022,945		Audit: Exhibit A-1
Total Revenue	3,452,757	3,915,624	3,958,027		Audit: Exhibit A-2
Total Expenses	3,493,336	3,717,619	3,793,801		Audit: Exhibit A-2
Change in Net Position	\$ (40,579)	\$ 198,005	\$ 164,226		Audit: Exhibit A-2
Depreciation Expense	\$ 20,910	\$ 20,910	\$ 21,408		Financial Statements/ Audit Workpapers
Interest Expense					Financial Statements/ Audit Workpapers
Principal Payments					Financial Statements/ Audit Workpapers
Interest Payments					Financial Statements/ Audit Workpapers
Final Average Daily Enrollment	210	240	239		DOE Enrollment Reports
March 30th Budgeted Enrollment	210	240	240		Charter School Budget
	2012	2012	2013	3 Year Cumulative	Source
Near Term Indicators					
Current Ratio	11.60	6.92	6.22	7.30	Current Assets/ Current Liabilities
Unrestricted Days Cash	35.00	18.19	86.43	47.05	Cash/ (Total Expenses/365)
Enrollment Variance	100%	100%	99%	100%	Average Daily Enrollment / Budgeted Enrollment
Default	N/A	N/A	N/A	N/A	Audit
Sustainability Indicators					
Total Margin	-1%	5%	4%	3%	Change in Net Position/ Total Revenue
Debt to Asset	0.09	0.14	0.16	0.14	Total Liabilities/ Total Assets
Cash Flow	312,289	(149,736)	713,070	875,623	Net change in cash flow from prior years
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	(Change in Net Position+Interest Expense) (Principal & Interest Payments)

## **SINGLE AUDIT SECTION**

**NIGHTLINGER, COLAVITA & VOLPA***A Professional Association**Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245

October 28, 2014

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Members of the Board of Trustees  
Camden's Pride Charter School, Inc.  
County of Camden  
Camden, New Jersey 08105

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of Camden's Pride Charter School, Inc., in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Camden's Pride Charter School, Inc. Board of Trustees' basic financial statements and have issued our report thereon dated October 28, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

Management of the Board of Trustees of Camden's Pride Charter School, Inc., in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Camden's Pride Charter School, Inc. Board of Trustees' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Camden's Pride Charter School, Inc. Board of Trustees' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Camden's Pride Charter School, Inc. Board of Trustees' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we did note one immaterial instance of a lack of internal control over financial reporting that we have reported to the Board of Trustees in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 28, 2014, labeled 2014-1.

### **Compliance and Other Matters**

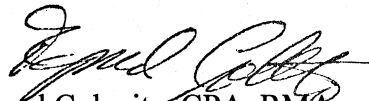
As part of obtaining reasonable assurance about whether the Camden's Pride Charter School, Inc. Board of Trustees' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, the Camden's Pride Charter School, Inc. Board of Trustees, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA, RMA  
Licensed Public School Accountant  
No. 915

# NIGHTLINGER, COLAVITA & VOLPA

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*Certified Public Accountants*

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October 28, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF AWARDS REQUIRED  
BY NEW JERSEY OMB CIRCULAR 04-04**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Camden's Pride Charter School, Inc.  
County of Camden  
Camden, New Jersey 08105

**Report on Compliance for Each Major Program**

We have audited the Board of Trustees of the Camden's Pride Charter School, Inc., in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Camden's Pride Charter School's major state programs for the fiscal year ended June 30, 2014. The Camden's Pride Charter School, Inc. Board of Trustees major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Camden's Pride Charter School, Inc. Board of Trustees compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey's OMB's 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Camden's Pride Charter School, Inc. Board of Trustees compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Camden's Pride Charter School, Inc. Board of Trustees compliance with those requirements.

### **Opinion on Each Major Program**

In our opinion, the Board of Trustees of the Camden's Pride Charter School, Inc., in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Board of Trustees of the Camden's Pride Charter School, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Camden's Pride Charter School, Inc. Board of Trustees' internal control over compliance with requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Camden's Pride Charter School, Inc. Board of Trustees' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Camden's Pride Charter School, Inc. Board of Trustees, the New Jersey State Department of Education, and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA, RMA  
Licensed Public School Accountant  
No. 915

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor/ Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2013	Carryover (Walkover) Amount	Cash Received	Budgetary Expend- itures	Adjustment	Balance at June 30, 2014		
				From	To						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
National School Lunch Program	10.555	N/A	\$102,543	7/1/13 to 6/30/14				\$ 84,227	\$ (102,543)		\$ (18,316)		
National School Lunch Program	10.555	N/A	96,114	7/1/12 to 6/30/13		\$ (4,970)		4,970					
National School Breakfast Program	10.553	N/A	48,666	7/1/13 to 6/30/14				40,321	(48,666)		(8,345)		
National School Breakfast Program	10.553	N/A	48,794	7/1/12 to 6/30/13		(2,335)		2,335					
National School Snack Program	10.555	N/A	11,840	7/1/13 to 6/30/14				6,880	(11,840)		(4,960)		
Total Enterprise Fund:						(7,305)		138,733	(163,049)		(31,621)		
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I, Part A	84.010A	NCLB-6024-14	210,717	7/1/13 to 6/30/14				96,244	(205,272)		(109,028)		
Title I, Part A Carryover	84.010A	NCLB-6024-13	217,709	9/1/12 to 8/31/13				17,121	(17,121)				
Title I, Part A	84.010A	NCLB-6024-13	217,709	9/1/12 to 8/31/13		(102,793)		100,701			(2,092)		
Title I, Part A	84.010A	NCLB-6024-12	184,671	9/1/11 to 8/31/12		(6,291)		6,291					
Title II, Part A	84.367A	NCLB-6024-14	343	7/1/13 to 6/30/14					(343)		(343)		
Title II, Part A Carryover	84.367A	NCLB-6024-13	674	9/1/12 to 8/31/13					(674)		(674)		
Title II, Part D	84.318X	NCLB-6024-09	729	9/1/08 to 8/31/09		(179)					(179)		
Title IV Drug Free	84.186A	NCLB-6024-10	1,915	9/1/09 to 8/31/10		11				\$ (11)			
IDEA Basic	84.027	IDEA -6024-14	50,795	7/1/13 to 6/30/14				50,795	(50,795)				
IDEA Basic	84.027	IDEA -6024-13	52,238	9/1/12 to 8/31/13		(21,749)		21,749					
IDEA Preschool	84.173	IDEA PS-6024-14	922	7/1/13 to 6/30/14				922	(922)				
NJ Charter School Start-Up Year 3	84.282	9000199	150,625	10/1/09 to 9/30/10		89				(89)			
						(130,912)		293,823	(275,127)	(100)	(112,316)		
Total Federal Financial Assistance						\$ (138,217)		\$ 432,556	\$ (438,176)	\$ (100)	\$ (143,937)		

The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2013		Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2014		
					Unearned Revenue (Accts. Rec.)	Due to Grantor				(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor
State Department of Education												
General Fund:												
Equalization aid	14-495-034-5120-078	\$ 2,835,437	7/1/13 to 6/30/14				\$ 2,847,766	\$ (2,835,437)				\$ 12,329
Equalization aid	13-495-034-5120-078	2,929,328	7/1/12 to 6/30/13			\$ 22,458			\$ (22,458)			
Equalization aid	12-495-034-5120-078	2,581,944	7/1/11 to 6/30/12			4,715			(4,715)			
Special Education Categorical Aid	14-495-034-5120-089	31,922	7/1/13 to 6/30/14				31,922	(31,922)				
Special Education Categorical Aid	13-495-034-5120-089	43,027	7/1/12 to 6/30/13			3,013			(3,013)			
Security Aid	14-495-034-5120-084	99,504	7/1/13 to 6/30/14				99,445	(99,504)		\$ (59)		
Security Aid	13-495-034-5120-084	102,946	7/1/12 to 6/30/13			1,519			(1,519)			
Security Aid	12-495-034-5120-084	92,968	7/1/11 to 6/30/12			1,590			(1,590)			
On-Behalf TPAF Pension Contributions	14-495-034-5095-007	55,136	7/1/13 to 6/30/14				55,136	(55,136)				
On-Behalf TPAF Post Ret. Med'l Contrib	14-495-034-5095-001	90,402	7/1/13 to 6/30/14				90,402	(90,402)				
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-002	108,391	7/1/13 to 6/30/14				107,933	(108,391)		(458)		
Reimbursed TPAF Social Security Contrib.	13-495-034-5095-002	108,391	7/1/11 to 6/30/12		\$ (11,222)		11,222					
Total General Fund					(11,222)	33,295	3,243,826	(3,220,792)	(33,295)	(517)		12,329
State Department of Agriculture												
Enterprise Fund - State Share:												
National School Lunch Program	14-100-010-3350-023	1,976	7/1/13 to 6/30/14				1,628	(1,976)		(348)		
National School Lunch Program	13-100-010-3350-023	1,892	7/1/12 to 6/30/13		(98)		98					
					(98)		1,726	(1,976)		(348)		
Total State Financial Assistance					\$ (11,320)	\$ 33,295	\$ 3,245,552	\$ (3,222,768)	\$ (33,295)	\$ (865)		\$ 12,329

The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2014**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Trustees, Camden's Pride Charter School, Inc. The Board of Trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made (GASB 34).

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

There was no net adjustment to reconcile from the budgetary basis to the GAAP basis for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 275,127	\$ 3,220,792	\$ 3,220,792
Special Revenue Fund	275,127		275,127
Food Service Fund	<u>163,049</u>	<u>1,976</u>	<u>165,025</u>
Total Awards & Financial Assistance	\$ <u>438,176</u>	\$ <u>3,222,768</u>	\$ <u>3,660,944</u>

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2014**

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

Camden's Pride Charter School had no outstanding loans at June 30, 2014.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The Camden's Pride Charter school receives meal service as shared service from Camden's Promise Charter School and does not directly receive food commodities.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2014. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the appropriate year ended.

**NOTE 7: SCHOOL-WIDE PROGRAM FUNDS**

The District's Federal Programs are on a school-wide program basis.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ X none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

**Federal Awards** N/A

Internal control over major programs:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ no

**CFDA Number(s)**

**Name of Federal Program or Cluster**

**No Major Federal Programs**

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? \_\_\_\_\_ X yes \_\_\_\_\_ no



**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
(continued)

**Section III - Federal Awards and State Financial Assistance**  
**Findings and Questioned Costs**

**Financial Statements**

**Finding:** None.

**FEDERAL AWARDS**

**Finding:** None.

**STATE AWARDS**

**Finding:** None.

**CAMDEN'S PRIDE CHARTER SCHOOL, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR - YEAR FINDINGS**

NONE: